

## A perspective on United Arab Emirates small and medium-sized enterprises management utilising the European Foundation for Quality Management concepts of excellence

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# **A perspective on UAE SME management utilising the EFQM concepts of excellence.**

## **Abstract**

The UAE has the highest percentage increase in the numbers of new business start-ups of 54 Countries who participated in the (2009) Global Entrepreneurship Monitor (GEM) Report. Although the resultant fall out of the 2008/9 credit crunch is still apparent, the UAE Government vision 2021 statement remains to build a knowledge intensive, entrepreneurial and innovative economy. Current UAE Government policy on the issue of trade licences effectively enhances entrepreneurial opportunities for Emirate nationals. With the growing importance of SME's to the UAE economy, this research aims to explore the management approaches taken toward achieving business excellence by joint national / expatriate managed UAE SME's, in what in the UAE is an increasingly international context for the SME supply chain. The paper utilises a survey of 50 onshore UAE based SME manufacturing companies, to determine management practices set against the eight EFQM concepts of business excellence, which are utilised as indicators of success for UAE SME management.

**Keywords:** EFQM, Concepts of Excellence, UAE SME, Management

## **1.0 Introduction**

### *1.1 The UAE SME*

Within the seven Emirates which form the UAE, there are approximately 200,000 small and medium sized enterprises (SME's) who are currently generating  $\approx 46\%$  of the UAE's GDP, and are also responsible for  $\approx 61\%$  of its total employment (AME Info. 2011). Despite being smaller in size, it is the SME's who tend to create the innovations which help

to drive the UAE economy. In seeking to redress the effects of the 2008/9 economic downturn in the UAE, and in Dubai in particular, the UAE Government has committed to developing a society similar to that proposed by Jaafari (2003) where innovation, intellectual property and workforce competencies are drivers of wealth creation. The UAE's economic regions would find it difficult to regenerate and compete without individuals who constantly renew business processes and innovate new products, services and strategies (Taatala 2010).

The UAE define an SME engaged in the manufacturing sector as having 'less than 250 employees and a turnover of less than AED 250 million' (AME Info. 2011). Research shows that less than 50 percent of SME's are still trading after the first three years from initial set up (Ropega 2011). With these high rates of SME failure, and the importance of SME's to the rejuvenation and economic growth of the UAE, the organizational context of SME takes on increasing significance. Additional issues such as the 2008/9 economic downturn in Dubai have made it more apparent that both internal and external factors increasingly influence SME enterprise growth and survival (Godina and Crackett 1999). Increasingly, Business Excellence Models are recognized as a means of working toward organizational excellence (Dahlgaard-Park & Dahlgaard, 2007). Mohammad *et al* (2011) show 94 national Quality/Business Excellence Awards, which are used in 83 countries world-wide, the (2011) paper goes on to estimate that there are more than 900 improvement initiatives that can be used to improve an organisation's performance (Citing: Adebajo & Mann, 2008a; Business Performance Improvement Resource [BPIR], 2009; Harrington & Lomax, 2000). In moving the UAE SME management paradigm toward one of business excellence, this study utilises the eight fundamental concepts of excellence which underpin the EFQM (2010) business excellence model, in recognition that the model can be used as an overarching framework for managing and/or aligning multiple improvement initiatives (Mohammad *et.al.* 2011), which

work further cites CEHE (2003) in establishing how several initiatives are linked or ‘fit’ with the EFQM Excellence Model (Balanced Scorecard, Performance Prism, Service or Value Profit Chain, Service Triangle, Six Sigma, Investors in People, ISO 9000:2000, Charter Mark and ISO 14000) providing the synthesis for a robust platform for the achievement of business excellence.

This paradigm is supported by the work by Gomez *et al* (2011), which considers that one of the determinants of the success of the EFQM model is that it offers a clear framework, a terminology and a methodology that is not made so clear in continuous improvement practices such as Total Quality Management (TQM). However, in seeking opportunities for continuous improvement, Tavana *et al* (2011) consider the EFQM excellence model as a practical benchmarking tool that can help organizations measure where they are on the path to excellence, assisting them to understand the gaps, and then stimulating the best possible solutions (further citing Karkoszka and Szewieczek, 2007; Michalska, 2008; Nazemi, 2010; Santos-Vijande and Alvarez-Gonzalez, 2007). This paper aims to examine existing management practices within UAE SME’s, by utilising a survey of 50 onshore, UAE based SME manufacturing companies to establish the nexus of successful UAE SME management.

## *1.2 The SME context in the UAE*

The (2009) Global Entrepreneurship Monitor (GEM) Report on Entrepreneurship in the UAE shows the UAE as the country with the highest increases in new business start-up activity at 38% when compared against the other 54 countries engaged in the study. However, in context, the UAE has a predominantly expatriate labour force, which forms approximately 90% of the total workforce population (Hafez. 2009), nonetheless, the GEM report establishes that the majority of the growth in business start-up activity emanates from the

local Emirati, GCC National and Arab Expatriate populations. Paradoxically, these statistics do not reflect Al-Ali's (2008) work which identifies that the UAE nationals' inclination to work in the private sector is very low i.e. they prefer public sector employment.

Studies such as Ruppert (1999) have previously compared the demographic of the Gulf region to that of the Tiger Economies, yet in recent years economic downturn has been increasingly in evidence in the UAE as opposed to rapid economic growth. Noticeably, the more recent work by Al-Waqfi and Forstenlechner (2009) cites Al Dosary and Rahman (2005) in attributing the lack of comparable development in the Gulf to a missing focus in education on needed skills, but more importantly, to attitudes. Without an entrepreneurial attitude societies can stagnate, which can hinder the long-term growth and prosperity of a region (Taatila 2010). In many respects, this has been one of the underpinning concepts which the UAE 'emitarisation' policy has sought to address, in moving from an ethnocentric to a geocentric approach to business, with the stated Emitterisation policy intent being the eventual replacement of expatriate employees by locals (Al-Waqfi and Forstenlechner. 2010). The UAE 2021 vision establishes that the UAE will seek through Emitterisation to maximise the potential of its National human capital by raising the participation of Emiratis within both the public and private sectors (UAE 2021. 2011). The GEM (2009) report additionally considers that the *"UAE government needs to encourage and reward innovation and entrepreneurship amongst its public sector employees to stimulate creative thinking and radically change the existing culture that pervades many of the government departments across the UAE"*. This concept is supported by the work by Morrison (2000) which proposes that there is a significant relationship between entrepreneurship and culture. In itself, entrepreneurship can impact on growth, recovery, and societal progress by fuelling innovation, employment generation and social empowerment (World Economic Forum,

2009). There is additional support for this concept from policy makers in Europe and the USA, who believe that more entrepreneurship is required to reach higher levels of economic growth and innovation (Sowmya *et al* 2010). Developing new entrepreneurs is also seen as a major strategic task in the policy programmes of the European Union (European Union, 2003).

In considering what appears as both a pluralistic and divergent view of business start up in the Emirates, it is worth noting that under UAE Federal Law No.8 of 1984, all companies that set up onshore in the UAE, and not in one of the >30 UAE free zones, must be licensed by the economic department of that particular Emirate, regardless of the company structure (Martin 2011). Outside of a free zone, the relevant economic department issues licences according to business activity, which are designated as; commercial, industrial or professional. Inside a free zone, the regulatory authority will also issue a licence according to activity, but with differing capital requirements and restrictions. Martin (2011) further identifies that whatever the form of incorporation, a foreign company that wishes to be based onshore will require either a local sponsor, who takes a 51 per cent ownership stake, or for foreign branches and professional service companies that retain 100 per cent ownership, a local agent must be employed. Ownership of general contracting, general trading, company representations and commercial agencies are additionally restricted to wholly-owned national companies. In the main, the structural locus of UAE SME's will place them as onshore organisations that require local sponsorship, thus making an entry to the field of SME entrepreneurship attractive propositions to the UAE national acting as an 'owner' sponsor. This provides the UAE SME with the potential to benefit through the pluralist nexus of a unique cultural fusion, which holds the potential for being the locus for a variety of levels of management engagement and styles, which themselves have the potential to emerge as a new paradigm of SME management.

### *1.3 The SME and Business Excellence*

The current competitive business environment presents difficult challenges for executives (Kuhn and Marsick, 2005). Because of competitive pressure, businesses are forced to optimize their strategies and business processes in order to strengthen efficiency, productivity and sustainability (Malte and Viorica, 2011). Corbett and Angell (2012) view that there is still much debate in the literature on whether performance improvement is universalistic based on a given set of practices, or whether it is context dependent. The management of an SME, although undertaken within a more confined environment, is in itself no less-complex in its management decision making process and structure, with the results of strategic decisions often having the potential to be more directly experienced by the SME's employees. Hamel (2003) considers that '*few people [are able to] think creatively and holistically about an entire business concept*'. However, it is the need to be able to adapt this holistic approach to business excellence, which is recognised by the European Foundation for Quality Management (EFQM) Excellence Model (2010), the model being based upon eight fundamental concepts of excellence (Table 1.). The EFQM (2010) documentation recognises that there is no one single solution to achieving business excellence, and encourages the identification and dissemination of best practice and case study, to establish the impact of the application of a particular methodology or approach. Additionally, within a similar paradigm, Kaplan *et al.* (1996) viewed that organisations perform more effectively when all inter-related activities are understood and systematically managed, and decisions concerning current operations and planned changes are made using reliable information.

Table 1: The EFQM eight fundamental concepts of excellence: Source EFQM. 2010

Concept	EFQM Content	
Achieving Results	Balanced	<i>Excellent organisations meet their mission and progress towards their vision through planning and achieving a balanced set of results that meet both the short and long term needs of their stakeholders and, where relevant, exceed them.</i>
Adding Value for Customers		<i>Excellent organisations know that customers are their primary reason for being and strive to innovate and create value for them by understanding and anticipating their needs and expectations</i>
Leading with Vision, Inspiration & Integrity		<i>Excellent organisations have leaders who shape the future and make it happen, acting as role models for its values and ethics</i>
Managing by Processes		<i>Excellent organisations are managed through structured and strategically aligned processes using fact-based decision making to create balanced and sustained results.</i>
Succeeding through People		<i>Excellent organisations value their people and create a culture of empowerment for the balanced achievement of organisational and personal goals.</i>
Nurturing Creativity & Innovation		<i>Excellent organisations generate increased value and levels of performance through continual and systematic innovation by harnessing the creativity of their stakeholders.</i>
Building Partnerships		<i>Excellent organisations seek, develop and maintain trusting relationships with various partners to ensure mutual success. These partnerships may be formed with customers, society, key suppliers, educational bodies or Non-Governmental Organisations (NGOs).</i>
Taking Responsibility for a Sustainable Future		<i>Excellent organisations embed within their culture an ethical mind-set, clear values and the highest standards of organisational behaviour, all of which enable them to strive for economic, social and ecological sustainability.</i>

The study by Bou-Llusar *et al* (2005) considers that the EFQM Model constitutes a non-prescriptive framework that assumes there are different approaches to achieving sustainable excellence. A key factor being that the EFQM Excellence model does not itself prescribe explicit methods for successful implementation, or state specific targets for performance levels, with Wongrassamee *et al.* (2003) concluding that the model does not address plans or strategies for organizations, but establishes the degree of excellence of their deployment and approach.



## **2.0 UAE SME Management**

This section reflects on the effects of ethnocentrism, internationalisation and globalisation; and includes consideration of UAE SME supply chain management

### *2.1 Ethnocentrism*

With the proliferation of expatriate labour, the UAE business environment has evolved into an increasingly intricate pluralistic structural fusion of ethnocentric geocentric and polycentric management approaches that have shaped the development of UAE SME management. Within the UAE culture, management itself is seen as more of a masculine activity, where men may attempt to, or be expected to portray a competitive, rational and unemotional character (Morden. 1993). The concept of ethnocentricity, in encouraging nationalistic preference by giving a reflective emphasis on cultural and ethnic identity, is similar to that shown in Porter's (1990) proposal that viewed success strategies in the home market being perceived as being those which make a firm successful abroad. The geocentric approach being viewed as one in which the company views the world as a single market and requiring a high level of centralization and coordination of activities, the framework looking at the organization and its management as a whole, rather than looking at each element of the market strategy (Gilani and Razeghi. 2010). The current UAE system for licensing SME trade (which amounts to a focused social capital program), can be seen as having the potential to decisively impact on the underpinning rationale and methodology, utilised in the strategic management of the UAE SME, through an imposed construct, that introduces an ability to exert direct influence on the ethos and direction of the organisation. The work by Rabasso and Rabasso (2011) recognises the necessity for a wider global responsibility, as being essential for the requisite understanding of cultural differences, and for the implementation of more responsible / fair practices in business environments.

## *2.2 The effects of internationalisation and globalisation on the UAE SME*

The SME business environment is increasingly dynamic, with elevated levels of intermittent change throughout all areas of organizational operation. The business environment, within which SME's exist and must operate, has undergone radical change in the last decade or so, especially within the UAE given the rollercoaster of the economic downturn. The transformations brought about by ever increasing globalization and modern technologies have created a discontinuous landscape that challenges traditional notions of organizational management (Martín-Castilla and Rodríguez-Ruiz. 2008). Competitive and high-velocity markets maintain pressure on SME's to perform at high levels of efficiency, whilst adapting rapidly and taking advantage of short-lifecycle competitive advantage created from innovation and creativity. These trends are increasingly becoming recognised in strategic management theories that focus on constant change and fast reaction. The value of response speed in business is supported by evidence that suggests that a time-based strategy positively affects organisational performance (Wagner & Digman, 1997). On an international scale, the rate of development of transboundary technologies, information systems and communication technology has increased exponentially. Concurrent with this there has been a shift from a mass market economy to one that embraces dynamic and reactive ability. This nascent business environment, characterised by discontinuous change and a requirement for innovative and creative thinking, has necessitated a dramatic paradigm shift in UAE SME management styles at a variety of organisational levels in seeking business excellence.

### 2.3 *The Management of the UAE SME Supply Chain*

Today's markets have been described as hyper-competitive, being those markets which call for the continuous and ever more rapid creation of new products, services or business methods (D'Aveni, 1998). The work by Gilani and Razeghi (2010) identifies that companies involved in the global market place, are increasingly seeking to create profitable businesses by entering trans-border markets, with the necessity to then compete against international rivals. The associated pressures found and opportunities offered in this divergent landscape of competitive transformation, emerge in the main for the UAE SME, through increasingly occurring complex global supply chains, within which the SME's are faced with financial and geopolitical risk. The work by Ivanov (2010) shows that the planning of supply chains is composed of setting management goals and defining measures for their achievement (citing Kreipl and Pinedo 2004). However, Bottani and Montanari (2010) consider that supply chain effectiveness requires dealing with final customer demand by all the parties engaged in the provision of the product as a whole (citing Cooper *et al.* 1997). With production becoming progressively more of a global activity, supply network design involves increasingly complex and intricate decision making. The customer / supplier relationship effectively entering the UAE SME into the global supply chain system as tier suppliers of multi-national corporations. Given the increasingly diverse relationships that develop, effective communication within the supply chain can be seen as having the ability to enhance opportunities for quality improvement. As such, pluralistic management influences become significant in terms of the SME's relationship with the other tiers of the supply chain. With both organisational production systems and the associated supply chain, becoming increasingly internationalized, the management of the process methodology which underpins the capability, continuity, and quality of that production process, requires an ever more developed approach to the integration strategy, and is equally applicable to both upstream and

downstream process management. The spatial distribution of the supply chain, and the acceptable quality level of the production of the supply chain, is increasingly determined through the individual organisational expectations, inherent within the division of labour between the discrete supply chain echelons.

### **3.0 The research approach**

The study involved interviewing owner managers from 50 UAE SME's. Based on the EFQM Concepts of Excellence which are shown in Table 1, the interview questionnaire was designed to capture specific management and organisational data, whilst including a section for open answers by the respondents, so that maximum information could be drawn for each area. The primary aim was to capture data contextualised for the SME, which directly related to the identification, and analysis of the eight EFQM precepts of organisational excellence. The output data was viewed as having the potential to identify UAE SME management strengths and areas for potential improvement.

As all participating SME's were operating in the manufacturing sector, the study incorporated the three configurations of an SME given by Dubai Chamber of Commerce (2010). Utilising a part quantitative and partly qualitative approach the interview questionnaire was developed to support the data collection and analysis. Table 2 shows the number of SME companies assessed by type and nationality of owner. In order to provide a realistic analysis of management approaches, rather than relying purely upon questionnaire feedback, two nationally different members of the core management of each SME were interviewed. This selected interview technique enabled direct comparison to be drawn on any potentially divergent ethnocentric management approach within the SME. One to one

interviews were selected as the most appropriate means of gathering primary data, as any assessment activity that focuses mainly on documentation, may fail to provide the critical evaluation of how activities are actually done, and how they may need to be carried out differently.

		<i>Entrepreneur Nationality</i>					
<i>SME</i> <i>(manufacturing sector)</i>		<i>Emirate National</i>	<i>American</i>	<i>British</i>	<i>European</i>	<i>Australian</i>	<i>Asian</i>
<i>&lt;=20 employees.</i> <i>T/o &lt;=10mAED</i>	<i>Micro (16)</i>	1	2	2	4	2	5
<i>&lt;=100 employees</i> <i>T/o &lt;=100mAED</i>	<i>Small (27)</i>	3	4	7	6	2	5
<i>&lt;=250 employees</i> <i>T/o &lt;=250mAED</i>	<i>Medium (7)</i>	0	1	3	1	1	1
<b>Total</b>	<b>(50)</b>	4	7	12	11	5	11

Table 2: SME type and origins of founding entrepreneur surveyed

To ensure that the survey data was meaningful, prior to the large scale data collection being undertaken, the author (a qualified EFQM assessor) tested the interview questionnaire on a small group of companies, to see whether the questions being asked were relevant, and also allowed the collection of the conceptualizing knowledge that guided, or motivated, their attitudes and actions as managers. The interview questionnaire was later adjusted in an iterative cycle until the results obtained, and the effectiveness of the questionnaire was considered robust enough to provide a high level strategic understanding of the organisations.

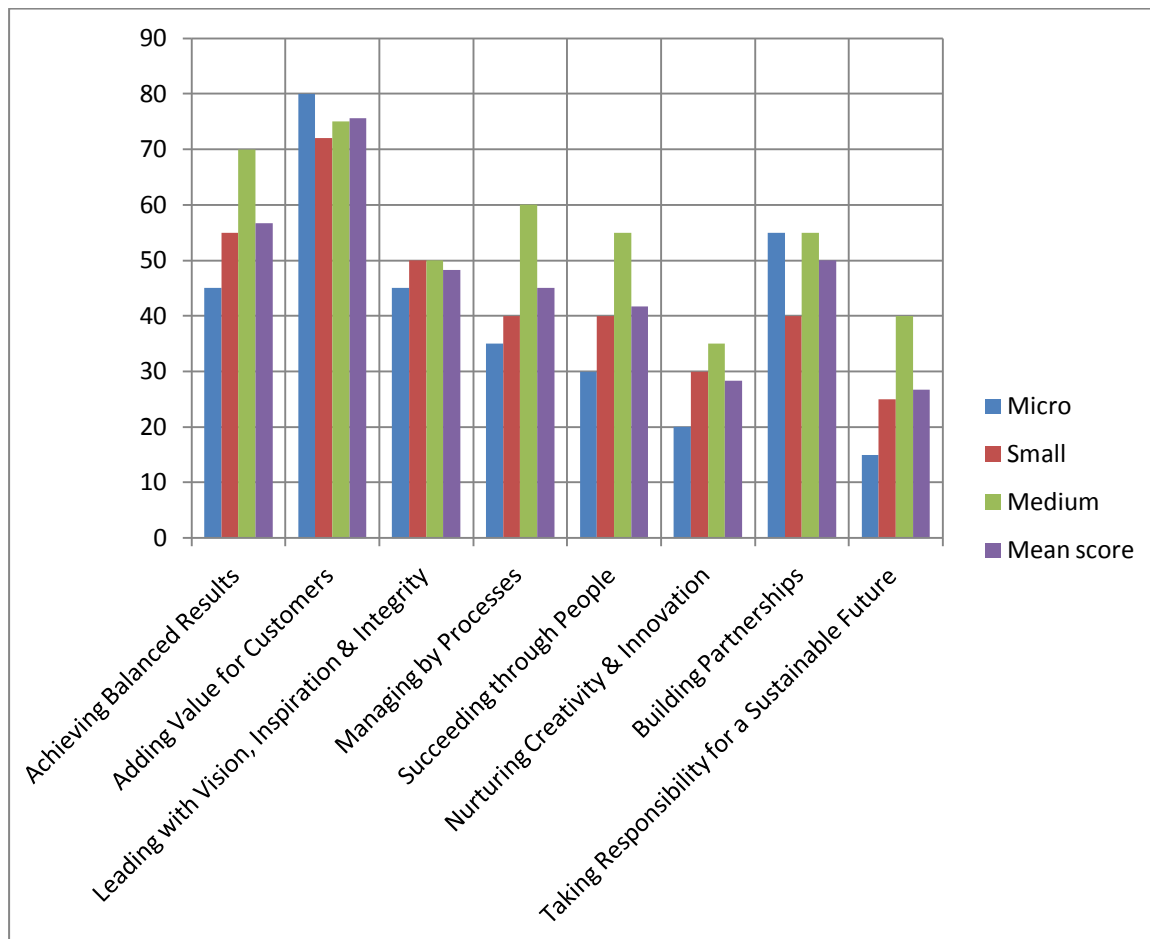
Evaluation Criteria of Managerial Approach and Structured Deployment				
<i>Anecdotal or non-value adding. Little effective usage</i>	<i>Some evidence of soundly based approaches and systems. Subject to occasional review. Some areas of integration into normal operations. Applied to about one quarter of the potential when considering all relevant areas and activities</i>	<i>Evidence of soundly based systematic approaches and systems. Subject to regular review with respect to effectiveness. Integration into normal operations and planning well established. Applied to about half the potential when considering all relevant areas and activities</i>	<i>Clear evidence of soundly based systematic approaches and procedures. Clear evidence of refinement and improved effectiveness through review cycles. Good integration of approach into normal operations and planning. Applied to about three quarters of the potential when considering all relevant areas and activities</i>	<i>Clear evidence of soundly based systematic approaches and procedures. Clear evidence of refinement, improved effectiveness through review cycles. Approach has become totally integrated into normal working patterns. Applied to full potential in all relevant areas and activities</i>
Score 0 <b>5</b> 10	15 20 <b>25</b> 30 35	40 45 <b>50</b> 55 60	65 70 <b>75</b> 80 85	90 95 <b>100</b>

Table 3: Revision of EFQM RADAR scoring matrix used in the management interviews (Source EFQM 2010)

Each participant was advised that all interview results would be anonymised, partly due to the inherent dynamics of the SME environment, but also to enable a more realistic and holistic analysis of the individual company's position. The interviews were completed between November 2011, and January 2012. In evaluating the data obtained from the interviews, utilisation of the linear value approach to cause and effect, based on the EFQM RADAR (EFQM. 2010) scoring technique, enabled a methodology to establish the existing management position for each of the SME's. This additionally enabled the exploitation of a recognised and robust common language, and conceptual framework for the data collection and evaluation, with an added value opportunity to directly benchmark against defined criteria. The revision of the EFQM (2010) scoring matrix used in the management interviews is shown in Table 3. However, it was considered important that the interviewed SME's understood that this was not an audit for EFQM, but an adapted mechanism to consider management approaches to business excellence.

## 4.0 Survey data results

The mean scores of the data obtained through the interviews of the three configurations of SME's in the UAE are shown in Figure 1.



**Figure 1.** Scores for combined SME interviews

### 4.1 *The Micro SME*

Interviewed Micro SME's within the UAE were shown as directing significant attention toward customer satisfaction, and to building partnerships. The interviewed SME's exhibited a clear customer focus with resources being directed to the assurance that not only specific customer requirements were met, but that value was added at each opportunity. Significantly it is the Micro SME area of adding value for customers which scores most highly for all three

configurations. This may be considered as a reflection of the more specialised and personal nature of the business environment of micro SME's.

This type of SME exhibited restricted strategic direction, with few ideas of vision / mission, and showed no examples of a holistic approach to planning. Work scheduling appeared in the main to be on an ad hoc basis. The category was typically populated by specialist process oriented companies, mainly formed of precision machine shops carrying out short run production or project work, with little or no direct repeat order work. As such the focus of the owner / employer was mainly directed to the specialist process skills of individuals and not toward overall organisational competency.

The Micro SME exhibited a limited outlook on innovation and creativity, the main output being specialist manufactured product, or made to order parts / product to customer specified design. Given this context, it was not seen as unrepresentative that the sample appeared focussed on partnership development and building of relationships. The output product was manufactured mainly through jobbing process, to specific customer order. Of the sample ( $\approx 38\%$ ), delivered high value, high precision work to major organisations. With training and development kept at a minimum, employees were observed as being recruited with defined skill sets for required long or short term capacity uplift.

#### *4.2 The Small SME*

The small SME sample exhibited a high degree of customer care and satisfaction, the more established nature of the organisation showed an increased flexibility in the creativity and innovation with which leaders were able to deliver creativity and enhancement. With  $\approx 40\%$  of the companies in this sample being family firms, there emerged a further potential for conflict, between the distinctive culture of the family and the pluralistic nature of the UAE SME environment. The sample group showed clear examples of strategic vision / mission,



with  $\approx 86\%$  of companies working toward or within recognised international quality management standards.

A benefit of this increased family focus was shown with the higher degree of strategic planning and specialisation of process which emerged. This orientation however provided only a limited opportunity for internal role movement, with a similar approach to training and development as experienced by the Micro SME, as people development and training were directed toward the empowerment of limited individuals (not levels of management) for the achievement of organisational and personal goals.

The predominantly batch process outputs of the small SME identified their production as supplying into the non OEM sector of the manufacturing market. With on demand work scheduling and short run manufacturing exemplifying this SME category.

#### *4.3 The Medium SME*

The surveyed group of medium SME's displayed a focus toward achieving overall balanced results, by presenting a more evolved approach to management styles, which enabled the SME to change its strategic and technical focus to respond to market trends and demands.

Companies were often shown to be manufacturing products for high value markets, with an increasing strategic alignment toward developing product and process quality, whilst working toward reducing overall operating costs. This increasingly responsible view to organisational sustainability (economic, social, and ecological) enables the balancing of price competitiveness and the alignment to customer needs.

The sample displayed clarity of strategic direction, which itself supported structured systems for forward job planning and career enhancement, resulting in a more effective employee development process. The medium SME management proved supportive in moving organisations further forward toward the development of cultures of innovation and creativity, yet the nature of the SME market, and the lack of supporting resource acted as inhibitors to the effectiveness of this advancement approach.

#### *4.4 Survey Reflections*

In examining existing management practices within the sampled UAE SME's, the study has found that ethnicity/nationality has influenced management practices. The survey firmly established the locus of SME ethnocentricity as based on a fundamentally pluralistic held assertion of nationalistic preference, which gave a reflective emphasis on cultural and ethnic identity, similar to that shown in Porter (1990).

The interviews, in taking a holistic view of the UAE SME, further established Corbett and Angell's (2012) viewpoint that the success of improvement programmes does not so much depend on individual quality tools and techniques, as on a range of general management practices. This also supports Tasaka (1999) in proposing that the world cannot be broken down into individual components, but that emergence and self organisation enable what he terms as 'knowing as the whole'. i.e. in considering the SME as a learning organisation, that the epistemological development takes on cultural perspectives, creating a dynamic state in the application of the pedagogy of the learning organisation.

The utilisation by the study of the adapted EFQM (2010) fundamental concepts of excellence provided a robust conceptual basis for the research. However, as EFQM is essentially

Eurocentric, it is important to take into account the potential influence of the model itself within the cultural mix of the UAE. Correlation of the scored results against the SME types and origins of founding entrepreneurs that are shown in Table 2, determined that the concepts of excellence, were more established within the American, European and British Emirate national organisations, than the Australian and Asian managed companies (producing higher mean scores). The findings supporting the work of Mann *et al* (2011) who's study of Asian organisations reported a lack of development of a business excellence culture, a lack of resources and a failure to fully educate the majority of staff in business excellence. However, the Australian and Asian organisations were characterised by scoring a higher percentage in their approach to nurturing creativity and innovation, and adding value to customers. The American / European / Emirate group tending to be more focussed on adding value to customers, process management, leading with vision, and building relationships. The common factor here supporting Peters (1980) proposition of customer satisfaction as the key to success.

## **5. Conclusion**

The survey of 50 onshore UAE based SME manufacturing companies has provided an insight into the existing SME management practices. In setting the context of the survey against the eight EFQM fundamental concepts of business excellence, the author has given a unique reflection of both existing management practice, and an evaluation of where the sampled SME's appear in relation to the excellence criteria. The current structure of the SME environment within the UAE has been discussed, as has a reflection on the SME supply chain.

The constitution and conceptualisation of the SME within the UAE is a subject which will require further debate, given the social capital involvement imposed. Further work is planned to create a wider data set and develop a larger statistical sample to investigate differing sectors and configurations of UAE SME's.

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